

From: Courtney Wells <courtney@bigredsports.com>
Sent: Tuesday, August 9, 2016 5:05 PM
To: Kevin Garrett
Subject: Re: Trident

Follow Up Flag: Follow up
Flag Status: Completed

Yes and no.

- ① Customer's will bring items and trade them to Norman Pawn and Gun, then NPG will write a check to the customer for that item. The customer then gives the money to Big Red (or the appropriate dealership) for their down payment.
- ② NPG basically has no working capital, so Trident will loan money to NPG, NPG writes customer checks for pawn items. Then the dealership is essentially purchasing those items from NPG by paying back Trident for their respective balances based on the customer checks.

So when I record a check as payment to NPG from Trident, I will already know what portions the dealerships will be paying back, so I record it in the check as an A/R to those dealers.

Tangled web!

①	NPG	BRSI/ or other	
	Dr. Inventory	Dr. Cash	
	Cr. Cash	Cr. Sales	
②	NPG	BRSI/ or other	Trident
	Dr. Cash	Dr. Inventory	Dr. N/R-NPG
	Cr. N/P-Trident	Cr. Cash	Cr. Cash
	Dr. Cash		
	Cr. Inventory		

Big Red Sports/Import
Norman Mitsubishi
Norman Yamaha
Mayes Kia
405-364-4400 ext. 137
██████████ 8842 cell
405-447-8248 fax

On Tue, Aug 9, 2016 at 4:56 PM, Kevin Garrett <KGarrett@eidebailly.com> wrote:

So basically this is Big Red expense that Chris wanted Trident to pay for? Norman Pawn and Gun wasn't a factor on these two checks that Trident wrote to Big Red?

Kevin Garrett, CPA

Tax Manager

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Kelley's note: the items bought by BRSI/ other stores should be inventory until scrapped or sold - what was this at 12/31/15?
Kevin emailed Courtney 8/11/16 for this.
Per discussion: treat the "A/R" on Trident as N/R-NPG instead of true A/R, this should be paid back in 2016 per Courtney.

GOVERNMENT
EXHIBIT
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From: Courtney Wells [mailto:courtney@bigredsports.com]
Sent: Tuesday, August 9, 2016 4:51 PM

To: Kevin Garrett <KGarrett@eidebailly.com>
Subject: Re: Trident

These are recorded as debit to cost of sales, credit to A/P, then when I transfer the money, it is a debit to A/P and credit to cash

Courtney Wells

Controller

Big Red Sports/Imports

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On Tue, Aug 9, 2016 at 4:48 PM, Kevin Garrett <KGarrett@eidebailly.com> wrote:

Was it a debit to cash, credit to A/P?

Kevin Garrett, CPA

Tax Manager

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From: Courtney Wells [mailto:courtney@bigredsports.com]
Sent: Tuesday, August 9, 2016 4:06 PM
To: Kevin Garrett <KGarrett@eidebailly.com>
Subject: Re: Trident

Yes sir, it was recorded in 2015 for Big Red.

Thank you!

Courtney Wells

Controller

Big Red Sports/Imports

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On Tue, Aug 9, 2016 at 11:19 AM, Kevin Garrett <KGarrett@eidebailly.com> wrote:

| Courtney, just need to verify something on this LLC:

You mentioned the \$18,600 of A/R on this entity was related to Norman Pawn & Gun transactions even though the two checks making up the A/R were written to Big Red, and that Trident pays NPG but the dealerships pay Trident.

I know you plan to reconcile these in 2016 but just need to verify how the \$18,600 was recorded on Big Red's side in 2015 (check #1037 & #1045 from Trident to Big Red).

Thanks,

Kevin Garrett, CPA

Tax Manager

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